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OFFICIAL STATEMENT

CITY OF MARTINEZ

Contra Costa County, California

\$1,350,000

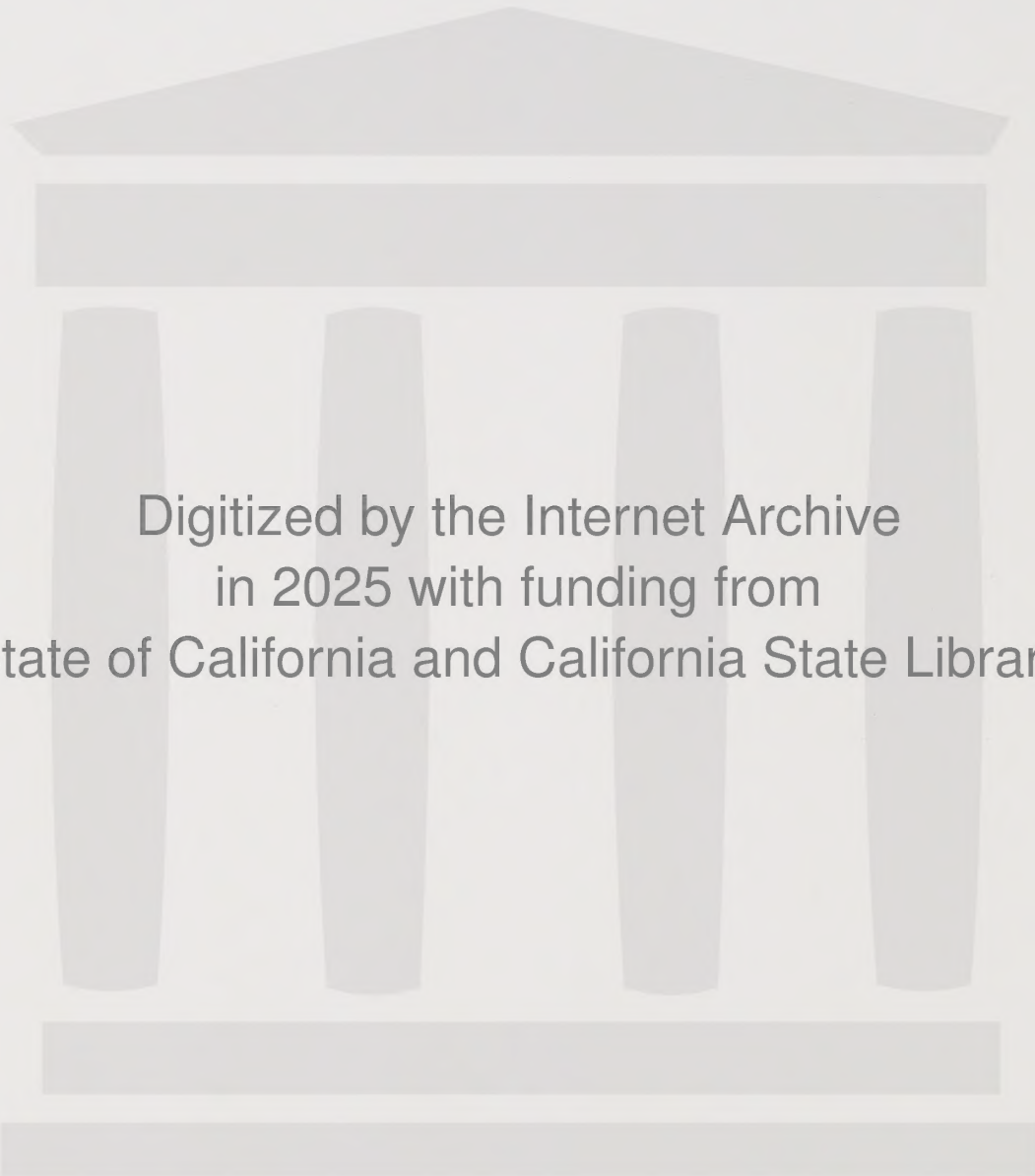
**1966 WATER REVENUE BONDS
SERIES C**

Bids to be received by the City Council of the City of Martinez at 3:00 o'clock P.M.,
Wednesday, November 17, 1976 at the Office of the City Clerk, City Hall, 525
Henrietta Street, Martinez, California.

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CITY OF MARTINEZ
Contra Costa County, California

CITY COUNCIL

John Sparacino, *Mayor*

Leonard Gianno

Elwon Lance

James T. Krause, *Vice Mayor*

James L. Thelen

Leland Walton
City Manager

Mike Jones
Director of Finance

Lawrence J. Kowalski
City Clerk

Selmer Satre
Public Works Director

John Waltz
City Attorney

PROFESSIONAL SERVICES

Orrick, Herrington, Rowley & Sutcliffe, *San Francisco*
Bond Counsel

John Carollo Engineers, *Walnut Creek*
Consulting Engineers

Stone & Youngberg Municipal Financing Consultants, Inc., *San Francisco*
Financing Consultants

Bank of California N. A., *San Francisco*
Fiscal Agent

Citibank, N. A., *New York*
The First National Bank of Chicago, *Chicago*
Paying Agents

THE DATE OF THIS OFFICIAL STATEMENT IS NOVEMBER 3, 1976

76 04298

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This official statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., on behalf of the City of Martinez, to supply information to prospective bidders on, and buyers of, \$1,350,000 principal amount of 1966 Water Revenue Bonds, Series C, proposed to be issued by the City.

Summaries of the resolution of issuance and other documents and reports contained herein do not purport to be complete or authoritative, and reference is made to such documents on file in the offices of the City for further information concerning legal or technical matters.

This official statement is not to be construed as a contract with the purchasers of the Series C Bonds. Except as otherwise stated, the information contained herein has been obtained either from the books and records of the City or from sources which are believed to be reliable, but the accuracy of which is not guaranteed.

Certain legal matters incident to the authorization and sale of the Series C Bonds are subject to the approving opinion of Orrick, Herrington, Rowley & Sutcliffe, bond counsel to the City. Orrick, Herrington, Rowley & Sutcliffe and Stone & Youngberg Municipal Financing Consultants, Inc. will receive compensation from the City contingent upon the sale and delivery of the Series C Bonds.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This official statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of, the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The execution and distribution of this official statement have been authorized by the City.

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Martinez and Vicinity.

Base map courtesy
National Automobile Club

INTRODUCTION

The City of Martinez, incorporated in 1876, is located in north central Contra Costa County on Carquinez Strait, a deep-water channel leading to San Pablo Bay, San Francisco Bay, and the Golden Gate. Martinez is 32 miles northeast of San Francisco, and has an area of approximately 8.4 square miles. It is the county seat of Contra Costa County and presently has a population exceeding 19,000 residents.

The city is a general law city with a council-manager form of government. The city employees now total approximately 100 persons, including the employees of the municipal water system.

With the exception of Shell Oil Company, which has over 1,000 employees, the industrial base of the city is composed of small to medium size firms in a variety of industries. As the county seat, Martinez has a substantial number of government workers. The Veterans Administration Hospital at Martinez adds to government employment, with an estimated 1,500 Federal workers.

The \$1,350,000 1966 Water Revenue Bonds, Series C, presently being offered, are the third series

of a total \$6,000,000 water revenue bonds authorized by the electorate at a bond election held on June 7, 1966. Series A and B bonds, in the amount of \$3,250,000, have previously been issued, and there is presently outstanding \$2,650,000 of those bonds. The proceeds of the Series C issue will be used primarily for the acquisition and installation of transmission facilities and appurtenant equipment to stabilize the water system pressures and further improve the overall reliability of the system. The improvements are described in greater detail in "The Enterprise" section of this Official Statement.

The bonds of Series A, B and C are water revenue bonds issued pursuant to the Revenue Bond Law of 1941 (and, for the Series C Bonds, Title 5, Division 2, Part 1, Chapter 3, Article 8 of the Government Code) and are secured by the gross revenues to be derived from the operation of the water system.

Projected total net revenues of the system for the first full fiscal year after the issuance of Series C Bonds are anticipated to provide more than 1.64 times coverage of estimated average total annual bond service.

THE BONDS

Authority for Issuance

The \$1,350,000 City of Martinez 1966 Water Revenue Bonds, Series C, are being issued pursuant to Second Supplemental Resolution No. 138-76 adopted October 6, 1976 and to Resolution No. 150 of the City Council of the City of Martinez adopted August 3, 1966, and the Revenue Bond Law of 1941 (Chapter 6, Part 1, Division 2, Title 5 of the California Government Code) and Title 5, Division 2, Part 1, Chapter 3, Article 8 of the California Government Code. The resolutions constitute the contract between the city and the purchasers of the bonds. Issuance of a total of \$6,000,000 of bonds was authorized by the voters of the city at a special bond election held on June 7, 1966. It is the intention of the City Council that no additional bonds will be issued prior to November 1, 1977, and then only if required, and subject to the earnings requirements provided in the Resolution of Issuance.

Sale of Bonds

Bids for the purchase of the \$1,350,000 1966 Water Revenue Bonds, Series C, will be received by the City Council of the City of Martinez at 3:00

p.m., on Wednesday, November 17, 1976. Details as to the terms of the sale are included in the Official Notice of Sale adopted October 6, 1976.

Description of the Bonds

The \$1,350,000 City of Martinez 1966 Water Revenue Bonds, Series C, will be dated October 1, 1976, and will be issued in denominations of \$5,000 each, numbered C1 to C270.

Interest on the bonds is payable on April 1, 1977, and semiannually thereafter on October 1 and April 1. Both interest and principal are payable at the San Francisco Main Office of the Bank of California N.A., the fiscal agent for the city, or at paying agents of the city in New York and Chicago.

Redemption Provisions

Bonds in the total amount of \$65,000, maturing on or before October 1, 1986, are not subject to call or redemption prior to their maturity dates.

The \$1,285,000 of bonds maturing on or after October 1, 1987, are subject to call and redemption on any interest payment date beginning October 1, 1986, as a whole, or in part in inverse numerical order at a redemption price equal to the principal amount and accrued interest to the date of redemption, plus a premium equal to one-quarter of one percent of such principal amount for each year or portion thereof from the date of redemption to the maturity date of the bond, not to exceed $3\frac{3}{4}$ percent.

Maturity Schedule

The bonds will mature in the following amounts on October 1 of the years indicated:

MATURITY SCHEDULE

Year	Amount	Year	Amount
1978	\$ 5,000	1990	\$ 15,000
1979	5,000	1991	15,000
1980	5,000	1992	20,000
1981	5,000	1993	20,000
1982	5,000	1994	20,000
1983	10,000	1995	30,000
1984	10,000	1996	30,000
1985	10,000	1997	185,000
1986	10,000	1998	205,000
1987	10,000	1999	220,000
1988	15,000	2000	235,000
1989	15,000	2001	250,000

Legal Opinion

All proceedings in connection with the issuance of the bonds are subject to the approval of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, bond counsel for the city. The unqualified opinion of Orrick, Herrington, Rowley & Sutcliffe attesting to the validity of the bonds, will be supplied free of charge to the original purchaser of the bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

Tax Exempt Status

In the opinion of bond counsel, the interest on the bonds is exempt from all present Federal income taxes and from the State of California personal income taxes under existing statutes, regulations, and court decisions, and the bonds are exempt from all California taxes except inheritance, gift, and franchise taxes.

Registration

The bonds will be issued as coupon bonds and will be registrable either as to principal only or as to both principal and interest with the privilege of discharge from registration.

Security

Bond principal and interest are payable from and secured by a first lien on the gross revenues of the Enterprise. Gross revenues include all income, receipts, or revenues derived from the operation of the Enterprise or arising out of the Enterprise or in any way incidental to the Enterprise, including interest on investment of reserve funds. The general fund of the city is not obligated for payment of bond principal and interest and there will be no recourse to the taxing power or property of the city for payment of the bonds. To assure sound fiscal operations of the city water system, special funds and accounts have been established as discussed on the following page.

Creation of Special Funds

Resolution No. 150, the original resolution, provided for the creation of special funds and accounts for control of the proceeds of the water revenue bonds and the revenues of the Enterprise. These are listed below, with an indication of whether they are administered by the Fiscal Agent or the city. The tabulation also indicates the flow of funds from the Revenues Fund, into which all revenues of the Enterprise are initially deposited. A description of the special aspects of these funds appears on the following page under "Deposit and Application of Revenues."

1966 WATER REVENUE BOND FUNDS

Name of Fund	Held by	Priority in Transfers from Revenue Fund	Amount of Deposit From Bond Proceeds	Investment ^② Permitted
Water Revenue Fund	Fiscal Agent—City	—	—	Yes ^③
Water Revenue Bond Interest Account	Fiscal Agent	1	①	Yes ^③
Water Revenue Bond Principal and Sinking Fund Account	Fiscal Agent	2	—	Yes ^③
Water Revenue Bond Reserve Account	Fiscal Agent	3	—	Yes ^④
Water Maintenance and Operation Account	City	4	⑥	Yes ^③
Water Revenue Surplus Account	City	5	—	⑤
Water Revenue Bond Construction Fund . . .	City	—	Balance ^⑦	Yes

① Interest to date of delivery of bonds.

② Investment in direct obligations of or negotiable obligations fully guaranteed by the United States of America with maturities as specified below in footnotes ③ and ④.

③ Maturing prior to time at which such funds are needed.

④ Maturing in not more than 12 years.

⑤ May be used for M & O, improvements, retirement of bonds, or any lawful purpose of the city.

⑥ Amount equal to maximum annual bond service to be deposited in the Bond Reserve Fund from bond proceeds.

⑦ Balance of bond proceeds after other deposits.

Disposition of Bond Proceeds

The Second Supplemental Resolution provides that the proceeds received by the city upon sale of the Series C Bonds are to be applied as follows:

1. Funds held by the Fiscal Agent:

(a) Accrued interest, if any, paid by the purchasers of the bonds is to be deposited in the Water Revenue Bond Interest Account.

(b) A sum sufficient to increase the balance then in the Reserve Account to an amount equal to the Maximum Annual Debt Service on the Series A, B and C Bonds shall be deposited in the Reserve Account.

2. Funds held by the city:

(c) The balance of the bond proceeds is to be deposited by the Director of Finance in the Construction Fund and used for the acquisition, improvement and financing of the improvements to the Enterprise including incidental expenses attendant thereto.

(d) Any balance remaining in the Construction Fund after the date of completion of the acquisition, construction, improvement and financing of the improvements to the Enterprise, and, with respect to any balance from the proceeds of the sale of the Series C Bonds, in any event no later than October 1, 1978, shall be transferred to the Fiscal Agent for deposit in the Reserve Account to the extent necessary at that time to restore the Reserve Account to the amount required, and any remaining balance shall be deposited in the Revenue Fund.

Deposit and Application of Revenues

The original resolution provides that the city shall deposit all revenues of the Enterprise by the first day of each month with the Fiscal Agent for deposit in the Water Revenue Fund. All monies in the Water Revenue Fund are administered by the Fiscal Agent and set aside and deposited in or transferred by the Fiscal Agent to the following special funds and accounts in the order of priority indicated and to be withdrawn from said special funds and accounts only for the purposes set forth. Money in the Water Revenue Bond Interest Account and the Principal and Sinking Fund Account may be invested in negotiable securities issued or fully guaranteed by the United States of America which mature prior to the date when the funds are required.

1. *Water Revenue Bond Interest Account*—Each month the Fiscal Agent will transfer to the Interest Account an amount equal to at least one-sixth of the next interest payment due until sufficient funds have been accumulated to meet the payment.

2. *Water Revenue Bond Principal and Sinking Fund Account*—During each year when serial bonds are outstanding the Fiscal Agent will transfer monthly to the Bond Principal and Sinking Fund Account an amount equal to at least one-twelfth of the amount of bonds maturing on the following October 1, until sufficient funds have been accumulated to make the principal payment. Each month, beginning in October 1982, an amount equal to one-twelfth of the redemption price, including premium, of the minimum amount of Series A term bonds which must be called for redemption each year, will be deposited in a Series A Sinking Fund Account within the Bond Principal and Sinking Fund Account until sufficient funds have been accumulated for the next mandatory call of term bonds for redemption.

3. *Water Revenue Bond Reserve Account*—Under the terms of the resolution a Bond Reserve Account equal to the maximum annual bond service was created from the proceeds of the sale of the bonds and held by the Fiscal Agent.

The account can be used only to pay principal and interest on the bonds in the event no other funds are available for that purpose and, whenever drawn upon, must be replenished from the first available revenues. Moneys in the account may be used to retire the last outstanding bonds of the issue and may be invested in direct negotiable obligations of the United States of America or in negotiable obligations fully guaranteed as to both principal and interest by the United States of America maturing not more than 12 years from the date of purchase. Interest obtained by investment of the Bond Reserve Account will be deposited in the Revenue Account.

4. *Water Maintenance and Operation Account*—Monthly deposits of one-twelfth the annual budgeted maintenance and operations costs are to be made into the Maintenance and Operation Account. The moneys in the fund are paid out by the city, as required, for operation and maintenance expenses.

5. *Water Revenue Surplus Account*—The Fiscal Agent is to pay to the City Treasurer for deposit in the Water Revenue Surplus Account all money remaining in the Revenue Fund after satisfying the requirements of items (1) to (4) inclusive. Money

in the Surplus Revenue Account may be used by the city for any of the following purposes:

- (a) For the costs of extensions, improvements, or customer connections to the Enterprise;
- (b) To pay any reasonable costs of maintenance and operation for which no adequate budgeted amount was provided;
- (c) For redeposit with the Fiscal Agent to be used to purchase bonds at public or private sale or to call and redeem bonds;
- (d) For any lawful purpose of the city.

Establishment of Fees, Rates, Tolls, and Charges

The city covenants and agrees that as long as any bonds are outstanding it will fix and maintain fees, tolls and rates for water service which will produce annual net revenues equal to at least one and thirty one-hundredths (1.30) times the interest and principal and Sinking Fund payment, plus any Reserve Fund payments, required to be made in the next twelve months.

Annual net revenues are defined as gross revenues less annual maintenance and operation expenses. The latter includes the reasonable and necessary costs of maintaining and operating the Enterprise calculated on sound accounting principles including among other things the costs of administration, overhead, insurance, taxes (if any), refund payments and other similar costs, but without allowance for depreciation or obsolescence.

To insure collection of revenues the city agrees to collect such fees, tolls, rates or charges upon bills, and to provide for the discontinuance of water service in the event of failure to pay any bill subsequent to delinquency.

Ratio of Actual Net Revenues to Maximum Annual Bond Service

During fiscal year 1975/76, the most recent fully audited year, net operating revenues of the City of Martinez Water System exclusive of refunds, rebates and connection fees, exceeded the estimated maximum total annual bond service shown in Table 1 by approximately \$92,000.

This coverage was based upon revenues of the water system derived from rates and charges in effect since April 1, 1975. On that date Resolution No. 28-75 became effective, raising the rate structure of the system.

The actual total revenues available to the water system during 1975/76 resulted in \$473,852 available for bond service, which provided 2.20 times coverage of the \$215,197 bond service payment on the outstanding Series A and B bonds.

This \$473,852 total revenue available in 1975/76 provides approximately 1.48 times coverage of the estimated maximum annual bond service on Series A, B and C projected to occur in the year 1983/84, and 1.53 times the estimated total annual bond service of \$308,924 in the year 1977/78, the first full fiscal year after issuance of the Series C bonds.

Additional Bonds

No additional bonds with a priority over these bonds may be issued. However, a total of \$6,000,000 of water revenue bonds was authorized by the voters of the city at the June 7, 1966 election. In addition to the \$2,650,000 Series A and B outstanding, the city has the authority to issue an additional \$2,750,000 of parity bonds without another election. The resolution of issuance provides that additional bonds secured by the same revenues as the 1966 bonds may be issued on a parity with the 1966 bonds under the following conditions:

1. The city must not be in default at the time of issue of additional bonds and the additional bonds must be authorized by a majority vote at a city bond election, unless the additional bonds are refunding bonds.
2. Additional bonds must mature on October 1 of each year, and provision must be made for the payment and retirement of the additional bonds on or before their respective maturity dates.
3. The Bond Reserve Account must be increased, if necessary, to an amount equal to the maximum annual bond service on all bonds outstanding in any one year thereafter.
4. The actual annual net revenues of the Enterprise for the preceding 12 months, plus 75 percent of any additional average annual net revenues estimated to be produced by reason of rate increases or additional facilities during the first 36 months in which the additional facilities are in operation, must equal at least 1.30 times the maximum annual debt service to become payable in any calendar year thereafter on the outstanding bonds and the additional bonds. The estimate of additional net revenues must be made by a qualified independent engineer appointed by the city and satisfactory to the Fiscal Agent.

If additional bonds are issued for the purpose of refunding and retiring bonds of this authorization, then bond service on the bonds to be refunded and retired shall be excluded from the above computations.

Additional Covenants

In addition to the covenants cited above, the resolution contains other covenants under which the city agrees:

1. To complete the acquisition and improvement of the Enterprise and to acquire, construct, and improve the Enterprise in a sound and economical manner.
2. To operate the water system efficiently and economically and to maintain it in good repair and working order.
3. To protect the security of the bonds and the rights of the bondholders, to defend those rights against all claims and demands of others, and to pay all claims which, if unpaid, might impair the security of the bonds.
4. To keep proper books of record and accounts and to file with the Fiscal Agent annually, within 60 days after the end of each fiscal year, a detailed balance sheet and statement of revenues and disbursements (prepared by an independent public accountant), a schedule of rates and a report of the physical condition of the system, and

to publish annually a summary of the financial statement.

5. Not to mortgage or otherwise encumber or permit to be encumbered the Enterprise or any of its revenues or enter into any agreement which impairs the operation of the Enterprise.

6. To maintain insurance against loss of or damage to the Enterprise and fidelity bonds covering all officers and employees who handle funds of the Enterprise.

7. To require by ordinance that all owners of premises connected to the Enterprise must pay the fees, tolls, and rates charged by the city, to discontinue service in the event of failure to pay any bill subsequent to delinquency and not to furnish any free water.

8. Not to construct or permit, within its authority to do so, construction or operation of any water system competitive with the Enterprise.

Estimated Annual Bond Service

Table 1 presents an estimate of total annual bond service on the outstanding \$2,650,000 Series A and B Water Revenue Bonds and the \$1,350,000 Series C Bonds currently being offered for sale, based on an interest rate of 7½ percent on the Series C Bonds. The estimated average annual bond service is approximately \$301,012.

Table 1

CITY OF MARTINEZ WATER REVENUE BONDS

Actual and Estimated Annual Bond Service

Fiscal Year	\$1,350,000 Series C			Fiscal Year Bond Service	Outstanding A and B Bond Service	Estimated Total A, B & C Bond Service
	Principal Due October 1	Interest October 1 @ 7½ %	Interest April 1 @ 7½ %			
1976/77 .. \$	—	\$ —	\$ 50,625.00	\$ 50,625.00	\$ 211,972.50	\$ 262,597.50
1977/78 ..	—	50,625.00	50,625.00	101,250.00	207,674.00	308,924.00
1978/79 ..	5,000	50,625.00	50,437.50	106,062.50	203,600.50	309,663.00
1979/80 ..	5,000	50,437.50	50,250.00	105,687.50	214,386.50	320,074.00
1980/81 ..	5,000	50,250.00	50,062.50	105,312.50	209,810.00	315,122.50
1981/82 ..	5,000	50,062.50	49,875.00	104,937.50	205,235.00	310,172.50
1982/83 ..	5,000	49,875.00	49,687.50	104,562.50	215,257.50	319,820.00
1983/84 ..	10,000	49,687.50	49,312.50	109,000.00	211,277.50	320,277.50
1984/85 ..	10,000	49,312.50	48,937.50	108,250.00	205,897.50	314,147.50
1985/86 ..	10,000	48,937.50	48,562.50	107,500.00	205,050.00	312,550.00
1986/87 ..	10,000	48,562.50	48,187.50	106,750.00	209,335.00	316,085.00
1987/88 ..	10,000 ^①	48,187.50	47,812.50	106,000.00	207,702.50	313,702.50
1988/89 ..	15,000 ^①	47,812.50	47,250.00	110,062.50	201,352.50	311,415.00
1989/90 ..	15,000 ^①	47,250.00	46,687.50	108,937.50	209,735.00	318,672.50
1990/91 ..	15,000 ^①	46,687.50	46,125.00	107,812.50	202,200.00	310,012.50
1991/92 ..	15,000 ^①	46,125.00	45,562.50	106,687.50	209,797.50	316,485.00
1992/93 ..	20,000 ^①	45,562.50	44,812.50	110,375.00	201,462.50	311,837.50
1993/94 ..	20,000 ^①	44,812.50	44,062.50	108,875.00	193,612.50	302,487.50
1994/95 ..	20,000 ^①	44,062.50	43,312.50	107,375.00	200,393.75	307,768.75
1995/96 ..	30,000 ^①	43,312.50	42,187.50	115,500.00	191,790.00	307,290.00
1996/97 ..	30,000 ^①	42,187.50	41,062.50	113,250.00	192,920.00	306,170.00
1997/98 ..	185,000 ^①	41,062.50	34,125.00	260,187.50	—	260,187.50
1998/99 ..	205,000 ^①	34,125.00	26,437.50	265,562.50	—	265,562.50
1999/00 ..	220,000 ^①	26,437.50	18,187.50	264,625.00	—	264,625.00
2000/01 ..	235,000 ^①	18,187.50	9,375.00	262,562.50	—	262,562.50
2001/02 ..	250,000 ^①	9,375.00	—	259,375.00	—	259,375.00
	\$1,350,000	\$1,083,562.50	\$1,083,562.50	\$3,517,125.00	\$4,310,462.25	\$7,827,587.25

① Callable on or after October 1, 1986.

THE ENTERPRISE

Existing Facilities

The City of Martinez owns and operates the complete water system, supplying treated water to the area within its city limits and to users outside the city. The system is operated as a fully self-supporting utility under the direction of the Director of Public Works. Operation and maintenance functions are performed by city employees and some administrative and customer account functions are performed by members of the administrative department of the city.

The system now serves 7,309 water customers, all of which are metered. Since 1965, when there were 4,863 customers served, the number of new connections each year has averaged approximately 222.

The source of water for the City of Martinez is the terminal regulating reservoir of the Contra Costa Canal known as the Martinez Reservoir. The Canal has a design capacity at the reservoir of 40 cubic feet per second or approximately 26 million gallons per day (MGD). This flow capability is now augmented by the "Shortcut Pipeline", completed in May 1972, which can provide additional flows of 19 MGD. The Pipeline has lessened the effort required to maintain necessary levels in the reservoir, and guarantees a more reliable supply for the City of Martinez, the Shell Oil Company, and other consumers. These facilities were built by the United State Bureau of Reclamation and are operated by Contra Costa County Water District which sells the raw water to the city.

The reservoir has a full volume of approximately 86 million gallons. Raw water is introduced to a square sectioned intake tower and flows from the intake tower through a 30-inch diameter outlet pipe to a meter vault. At the vault, a 30-inch pipe runs to the City of Martinez Raw Water Pump Station and a second 14-inch pipe runs to the Shell Oil Company.

The City of Martinez Raw Water Pump Station consists of two 6-MGD and two 4-MGD pump units which deliver raw water to the Water Purification

Plant. This facility provides additional head for the supply to the plant at low water level conditions in the Martinez Reservoir only.

The city operates a water purification facility which is described as Plant No. 1 and Plant No. 2, representing the original facility and an addition to the plant in 1967.

Both plants have nominal capacities of 6 MGD each and Plant No. 2 has the capability of producing a water of acceptable quality at approximately 10 MGD if necessary. Under certain operating conditions, Plant No. 2 has handled all flows for the City of Martinez.

The design capacity of the Contra Costa Canal and the "Shortcut Pipeline" at Martinez Reservoir is 70 cfs or approximately 45 MGD. Information from Contra Costa County Water District projects this capacity to be sufficient for the City of Martinez, Shell Oil Company, and other customers at Martinez Reservoir for over 30 years into the future.

The City of Martinez raw water pumping facilities have a nominal capacity of 20 MGD. With projected total demands for the maximum day of the year 1995 (30,000 people) at 11.88 MGD, these facilities are considered sufficient.

The present Water Purification Plant has a nominal capacity of 12 MGD with a maximum treatment rate of 16 MGD and a finished water pumping capacity of 22 MGD. In consideration of projected demands, further expansion of the facilities will not be required until the population has increased beyond 30,000 people (after 1995).

Water System Revenues and Expenses

Table 2 reviews the history of water system revenues and expenses for the years 1970/71 through 1974/75, as reported to the State Controller. This table is followed by a summary of the operation of the system for the year 1975/76, as excerpted from the Water System Audit prepared by the city's independent certified public accountant and reviewed in their notes to the financial statements.

Table 2**CITY OF MARTINEZ****Water System Revenues and Expenses as Reported to the State Controller**

	1970/71	1971/72	1972/73	1973/74	1974/75
Revenues					
Water Sales	\$610,328	\$775,070	\$782,290	\$739,212	\$853,418
Other Income	22,296	18,517	18,785	32,738	29,041
Total Operating Revenue	\$632,624	\$793,587	\$801,075	\$771,950	\$882,459
Operating Expenses					
Source of Supply	\$ 79,231	\$ 82,836	\$ 85,594	\$ 78,515	\$ 81,246
Pumping	—	—	—	—	—
Treatment	123,075	152,674	152,133	163,255	190,221
Transmission and Distribution	160,211	168,531	194,714	193,372	186,050
Customer Accounts	—	—	—	—	—
Administrative and General	11,176	69,400	67,952	72,475	90,467
Total Operating Expense	\$373,693	\$473,441	\$500,393	\$507,617	\$547,984
Net Operating Revenue	\$258,931	\$320,146	\$300,682	\$264,333	\$334,475
Other Water System Revenue	\$ 47,071	\$ 53,610	\$ 54,734	\$ 54,119	\$ 36,229
Revenue Available for Bond Service	\$306,002	\$373,756	\$355,416	\$318,452	\$370,704
Bond Service	\$215,522	\$217,023	\$213,123	\$209,022	\$214,548
Net Operating Revenue Coverage Ratio ...	1.20	1.47	1.41	1.26	1.55
Total Revenue Available Coverage Ratio ..	1.41	1.72	1.66	1.52	1.72

CITY OF MARTINEZ WATER SYSTEM**Financial Summary—Year Ended June 30, 1976**

Operating Revenues		
Water sales		\$1,070,564
Service line installation fees		17,169
Acreage connection fees		19,729
Meter installation fees		10,270
Double check valve installation fees		1,116
		<u>\$1,118,848</u>
Operating Expenditures		
Administration	\$129,988	
Maintenance, repair and distribution	238,756	
Filtration plant	334,091	702,835
Net Operating Income		<u>\$ 416,013</u>
Non-operating Revenues		
Interest	\$ 22,199	
Refunds and rebates	35,640	57,839
Income Before Bond Service		<u>\$ 473,852</u>

Source: 1975/76 Water System Audit.

Projected Revenues, Expenses and Coverage Ratios

Projected revenues and expenses of the city water system for the five-year period from July 1, 1976 through June 30, 1981 are shown in Table 3. Revenue projections are based upon the current rates and connection charges, and upon the estimated growth of 220 new connections each year, rising to 230 in 1980. Industrial water consumption is expected to increase at approximately the same rate as domestic consumption.

Operation and maintenance expenses are estimated to average 66% of operating revenues each year to reflect increased costs in personnel, materials and water supply. The estimated annual bond service payments are taken from Table 1.

Based on estimated revenues, expenses and annual bond service, the total revenue available for bond service on the Series A, B and C bonds will provide coverage ratios ranging from 1.78 to 1.57 in 1980/81, the latter being coverage of the estimated maximum annual bond service (\$320,277) which should occur in the year 1983/84.

Table 3
CITY OF MARTINEZ WATER SYSTEM
Projected Revenues, Expenses and Coverage Ratios

	Year Ending June 30				
	1977	1978	1979	1980	1981
Operating Revenue	\$1,161,000	\$1,201,000	\$1,235,000	\$1,271,000	\$1,307,000
O&M Expense	773,000	775,000 ^①	805,000	840,000	880,000
Net Operating Revenue	\$ 388,000	\$ 426,000	\$ 430,000	\$ 431,000	\$ 427,000
Other System Revenue	80,000	70,000	70,000	70,000	75,000
Total Revenue Available for					
Bond Service	\$ 468,000	\$ 496,000	\$ 500,000	\$ 501,000	\$ 502,000
Bond Service	\$ 262,597	\$ 308,924	\$ 309,663	\$ 320,074	\$ 320,277 ^②
Net Operating Coverage Ratio	1.47	1.38	1.39	1.35	1.33
Total Revenue Available Coverage					
Ratio	1.78	1.61	1.61	1.57	1.57

① Moderate O&M increase as result of efficiencies gained from system improvements.

② Maximum annual bond service, estimated to occur in the year 1983/84.

Source: City staff and consultants.

Water Production and Consumption

The following table presents a summary of the city water system water production, water consumption, and average consumption per active service connection.

CITY OF MARTINEZ Water Production and Consumption

	1971/72	1972/73	1973/74	1974/75	1975/76
Water Production (million gal.)	1,553,420	1,477,524	1,388,925	1,384,039	1,494,726
Water Consumption (million gal.)	1,489,250	1,460,586	1,329,641	1,383,061	1,475,525
Average number of service connections ...	6,863	7,038	7,153	7,300	7,309
Consumption per average connection					
(thousand gal.)	217.0	207.5	185.9	189.5	201.8

Water Rates

Present water rates consist of a monthly service charge plus the consumption rate for water used. Outside city rates are twice the amount of the inside rates.

Meter Size (Inches)	Monthly Service Charge	Meter Size (Inches)	Monthly Service Charge
5/8	\$ 3.40	4	\$ 72.00
1	8.00	6	143.00
1½	14.50	8	254.00
2	22.50	10	398.00
3	43.00		

Quantity Rate	Inside	Outside
Per 100 cubic feet	\$.31	\$.46

Installation Charges		
Meter Size (Inches)	Inside	Outside
1	\$400.00	\$ 800.00
1½	605.00	1,210.00
All over 1½	Actual Cost	Twice Actual Cost

The Improvement Program

The City of Martinez is proceeding with the improvement of its water system in conformance with a basic plan prepared by John Carollo Engineers, the City's consulting engineers.

The proceeds of the Series C bonds will be used primarily to improve the transmission system and to increase the reliability of water pressure throughout the City. These improvements are expected to enable the City to reduce its line maintenance costs and assist in stabilizing the annual operation and maintenance expenditures. A summary of the disposition of bond proceeds is presented as follows.

CITY OF MARTINEZ WATER REVENUE

BONDS, SERIES C

Disposition of Bond Proceeds

Alhambra Ave. Transmission Main ..	\$ 275,000
Vine Hill Way Transmission Main ...	130,000
Howe Road Pump Station Addition ..	25,000
St. Mary's-"H" St. Transmission Main	51,000
Thomas Hill Reservoir Roof Repair ..	20,000
Shock Trap—Water Treatment Plant .	40,000
Waste Water Recovery Facility	330,000
Water Main Replacement	300,000
	<u>\$1,171,000</u>
Reserve Fund Deposit	103,000
Legal, Financing and Contingencies ..	76,000
Amount of Bond Issue	<u>\$1,350,000</u>

Major Water Consumers

The City of Martinez water system serves a number of major industrial customers which represent a significant portion of the City's annual water sales. Nine of these major consumers are listed below, with total billings equalling approximately ten percent of the total 1975/76 water sales.

Customer	1975/76 Water Billing
Stauffer Chemical Co.	\$25,352
Shell Oil Co.	23,430
Shell Chemical Co.	19,189
Veterans Administration Hospital	18,623
Ulrich Oil Co.	17,236
Contra Costa County Juvenile Hall	8,934
Bird & Sons	6,892
Pine Meadows Golf Course	4,964
Hidden Valley Park	4,202

FINANCIAL DATA

Assessed Valuation

The City of Martinez uses the facilities of Contra Costa County for the assessment and collection of taxes for municipal purposes. City taxes are assessed and collected at the same times and on the same tax rolls as are county, school and special district taxes. Taxes are payable in two installments on November 1 and February 1 and become delinquent December 10 and April 10.

The State Board of Equalization reports the 1976/77 Contra Costa County valuations to average 22.8 percent of full value, except for public utility property, which is assessed by the state at 25 percent of full value.

Under provisions of the State Constitution and legislation adopted in 1968, two additional types of exemptions were authorized beginning in the tax year 1969/70. The first of these exempts 50 percent of the assessed valuation of business inventories from taxation. The second provides for exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling for which application has been made to the County Assessor.

Revenue estimated to be lost to local taxing agencies due to such exemptions is reimbursed from state sources. The reimbursement is based upon total taxes due upon these exempt values and therefore is not reduced by any amount for estimated delinquencies.

Following is the 1976/77 assessed valuation of the City of Martinez as reported by the Contra Costa County Assessor, before provision for the two exemptions described above.

CITY OF MARTINEZ

Assessed Valuation 1976/77*

Secured roll	\$ 90,301,308
Unsecured roll	4,064,193
Utility roll	11,320,770
	<u>\$105,686,271</u>

*Includes state reimbursable business inventory exemptions, \$3,985,007; homeowners exemptions, \$7,838,698.

The city's assessed valuation for the preceding five years is presented below.

CITY ASSESSED VALUATIONS

Tax Year	Taxable Assessed Valuation	Homeowners and Business Inventories Exemptions	Assessed Valuation for Revenue Purposes
1971/72	\$44,689,026	\$ 3,116,029	\$47,805,055
1972/73	49,940,097	3,213,563	53,153,660
1973/74	53,299,559	7,938,996	61,238,255
1974/75	57,865,673	8,889,585	66,755,258
1975/76	68,803,766	10,567,469	79,371,235

Tax Rates

The city tax rate per \$100 assessed valuation for the 1976/77 fiscal year is \$1.740. The largest code area in the city, No. 5001, has a total levy of \$11.232 per \$100 assessed valuation. The following table sets forth the levies for the past five years.

CITY OF MARTINEZ TAX CODE AREA 5001

Total Tax Rates 1972/73—1976/77

Agency	1972/73	1973/74	1974/75	1975/76	1976/77
Contra Costa County	\$ 2.833	\$ 2.830	\$ 2.770	\$ 2.849	\$ 2.719
City of Martinez	1.990	1.990	1.970	1.870	1.740
Martinez Unified School District	4.817	4.926	4.404	4.185	3.863
Contra Costa Community Colleges	.922	.898	.805	.727	.720
County School Services	.134	.158	.195	.225	.249
Bay Area Rapid Transit	.614	.587	.512	.447	.478
East Bay Regional Parks	.154	.159	.194	.198	.219
Contra Costa Fire	.749	.749	.749	.728	.706
Contra Costa Flood Control	.020	.020	.020	.020	.020
County Water Agency	.010	.010	.017	.004	.004
Mosquito Abatement	.021	.021	.025	.019	.017
Central Sanitary District	.647	.634	.617	.610	.372
Contra Costa Water District	.040	.040	.059	.071	.110
Bay Area Air Pollution	.016	.017	.016	.015	.015
Total, All Rates	\$12.967	\$13.039	\$12.353	\$11.968	\$11.232

Source: County Auditor-Controller.

Tax Levies and Delinquencies

The city's rate of secured tax delinquency has averaged a favorable 1.20 percent over the past four years. The following tabulation presents a summary of secured tax liens, tax collections, and delinquencies as of June 30 each year since 1972/73.

CITY OF MARTINEZ

Secured Tax Levies and Delinquencies

Fiscal Year	Secured Tax Levy	Collections, as of June 30	Delinquent June 30	Percent Delinquent
1972/73	\$ 954,796	\$ 944,414	\$10,382	1.09%
1973/74	1,017,214	1,005,117	12,097	1.19
1974/75	1,097,608	1,081,634	15,974	1.46
1975/76	1,241,584	1,228,679	12,905	1.04

Source: County Auditor-Controller.

Contra Costa County operates under provisions of Revenue and Taxation Code Sections 4701-4717 by which entities in the county may receive their total secured tax levies regardless of actual payments and delinquencies. The county establishes a delinquency reserve and assumes responsibility for all secured delinquencies. At the right is a record of secured tax levies and delinquencies for the entire county. As of June 30, 1976, the county's guarantee fund had a cash balance of \$8,612,344.

Revenues and Expenditures

The following table presents a summary of general city revenues and expenditures as reported to the State Controller for the past five years. Water system operations are presented separately in Table 2 of this official statement.

CONTRA COSTA COUNTY

Tax Levies and Delinquencies

Fiscal Year	Total Secured Tax Levy	Amount Delinquent June 30	Percent Delinquent June 30
1971/72	\$223,579,827	\$4,058,140	1.82%
1972/73	235,709,379	3,896,245	1.65
1973/74	239,381,720	3,749,301	1.56
1974/75	261,860,435	5,283,952	2.01
1975/76	290,128,126	5,120,237	1.76

Source: County Auditor-Controller.

Table 4
CITY OF MARTINEZ
Revenues and Expenditures

	1970/71	1971/72	1972/73	1973/74	1974/75
Revenues					
Property Taxes	\$ 861,935	\$ 898,876	\$ 991,854	\$1,049,805	\$1,149,798
Sales Taxes	169,364	214,543	276,101	330,466	432,035
Other Taxes	62,791	68,591	78,631	75,819	98,999
Licenses and Permits	31,870	59,303	70,860	29,917	43,179
Fines and Penalties	60,100	65,072	59,864	50,267	57,959
Use of Money and Property	32,076	25,968	40,818	87,946	81,604
From Other Agencies	411,796	487,327	674,392	720,603	981,203
Current Service Charges	76,033	91,845	79,246	97,085	107,687
Other Revenue	220,774	81,270	111,430	80,193	154,097
Total Revenues	\$1,926,739	\$1,992,795	\$2,383,196	\$2,522,101	\$3,106,561
Expenditures					
General Government	\$ 591,504	\$ 610,762	\$ 675,447	\$ 693,866	\$ 801,256
Public Safety	482,048	549,298	660,195	700,804	792,857
Public Works	452,157	400,980	359,447	503,629	700,428
Contributions to Other Govt. Units				68,786	130,092
Parks and Recreation	360,756	350,989	436,741	444,758	774,793
Total Expenditures	\$1,886,465	\$1,912,029	\$2,131,830	\$2,411,843	\$3,199,426
Capital Outlays*	\$ 390,119	\$ 271,869	\$ 361,249	\$ 388,285	\$ 754,662

*Included in Expenditures.

Source: State Controller Reports.

City Employee Retirement Program

The City's employees are members of the State of California Public Employees Retirement System and contributions of employees and the City are paid to this fund. The City's pension expense for the year ended June 30, 1976, was \$196,379.

The State of California Public Employees' Retirement System was originally established in 1931. The System is governed by an eleven member Board of Administration. Administrative functions are carried out under the direction of an Executive Officer with a current staff of approximately 475. As of June 30, 1975, there were 535,786 members of which approximately 10% are classified as "safety" members (principally fire and police duties) and the balance are classified as "miscellaneous" members (management, administrative, staff, operational and clerical employees).

Approximately 33% of the members are state personnel and the balance (67%) are public agency personnel. As of June 30, 1975, the System provided retirement, death and survivor benefits under 901 contracts for about 1,900 public agency employees (cities, counties, and other public agencies) with 356,517 members. The System's funding is by employer and employee contributions together with investment income. Contributions fluctuate yearly depending on the number of members and their respective salary schedules. The annual contribution by the State of California for the 1974 and 1975 fiscal years, as reported by the State Controller, was

\$162,649,578 and \$231,057,854, respectively. The System's financial statements are prepared on an accrual basis of accounting and the System's auditor is Coopers and Lybrand, Sacramento, California. Citicorp Investment Management, Inc., San Francisco, provides investment advisory services. The System's actuarial activities are conducted internally on a continuous basis, with an experience analysis being conducted no less than every four years.

Total assets of the System at June 30, 1975 were \$7,010,663,041, according to the Annual Report of the State Controller. Of this amount, net assets of \$6,970,264,122 were available for benefits. Comparable figures for June 30, 1974 were \$6,233,924,599 and \$6,207,963,069, respectively. The unfunded obligation of the System was determined to be \$4,907,998,387 at June 30, 1974 by the independent auditors. This represents the present value of future state contributions of approximately \$2.8 billion and other member contributions of approximately \$2.1 billion. The total unfunded obligation does not take into account the provisions of Chapter 187, Statutes of 1975, which prescribed a new increased contribution rate by the state with respect to state miscellaneous members. The comparable amount for June 30, 1975 is not available.

The amount of the respective unfunded liabilities will vary from time to time depending upon the actuarial assumptions utilized, rates of return and salary scales. The present System policy is designed to satisfy the unfunded obligation by the year 2000.



Martinez marina with deep water docking facilities in background. Benicia-Martinez Bridge appears in the distance.

Shell Oil Company refinery in Martinez.



THE CITY

The City of Martinez is located in north central Contra Costa County on Carquinez Strait, a deep-water channel leading to San Pablo Bay, San Francisco Bay, and the Golden Gate. Martinez is 32 miles northeast of San Francisco and 370 miles north of Los Angeles. The city covers approximately 8.4 square miles and has a present population exceeding 19,000. It is the county seat of Contra Costa County.

Incorporated in 1876, Martinez is a general law city with a council-manager form of government. Five council members are elected at large, and select one of their number to serve as mayor. Other elective positions include the city clerk and the city treasurer. The city manager and the city attorney are appointed by the council.

The city maintains a police department. Fire protection services are contracted to the Contra Costa Fire Protection District. The municipally owned water system receives water from the Contra Costa County Water District. The city has approximately 100 employees.

With the exception of Shell Oil Company, which has over 1,000 employees, the industrial base of the city is composed of small-to-medium size firms in a variety of industries. As the county seat, Martinez

has a substantial number of government workers. The Veterans Administration Hospital at Martinez adds to government employment, with an estimated 1,500 Federal workers.

Population, Housing, and Income

During the 1940s and 1950s the population growth rate of the City of Martinez lagged behind that of Contra Costa County. In the sixties and the first half of the present decade, the city's population grew considerably faster than that of the county, as shown in the tabulation below.

As of January 1, 1976, the estimated population of the city was 19,350, as determined by the State Department of Finance. This was an increase of 2,844 persons over the 1970 Federal Census.

A special census by the Contra Costa County Planning Department in April 1975 reported a median household income of \$14,126 for the city, compared with \$10,258 in the 1970 Census. Comparable county-wide levels were \$15,026 and \$10,992, respectively. Average household size declined from 3.0 in 1970 to 2.8 in 1975, based on the special census returns. Results of the housing tabulations in the special census have not been published.

POPULATION GROWTH

Census Year	City of Martinez	Percent Increase	Contra Costa County	Percent Increase
1940	7,381	—	100,450	—
1950	8,268	12.0%	298,984	197.6%
1960	9,604	16.2	409,030	36.8
1970	16,506	71.9	555,805	35.9
1976*	19,350	17.2	586,900	5.6

Source: U.S. Bureau of the Census.

*January 1 estimate by State Department of Finance.

Of the city's 5,470 housing units counted in the 1970 Census of Housing, about 77 percent were single-family homes, with owner-occupied dwellings having a median value of \$24,500. Median monthly rental was \$91. The respective county medians were \$25,700 and \$124.

Approximately 1,950 new housing units have been built in the city since 1970. More than 80 percent were single-family homes. Of the 210 building permits for new single-family dwellings awarded by the city in the first seven months of 1976, the average permit was valued at \$39,633, not including land.

Employment

The State Department of Employment Development reports that Contra Costa County employers provided jobs for an estimated 155,000 nonagricultural employees and an additional 1,200 farm workers in June 1976. Approximately 25 percent of all non-farm workers are in government, 24 percent in trade, 18 percent in services, and over 16 percent in manufacturing.

The pattern of employment in the county by industrial category since 1971 is presented below.

CONTRA COSTA COUNTY

Nonagricultural Employment 1971-76

Industry	Annual Averages				June 1976
	1971	1972	1973	1974	
Construction	9,800	9,300	10,100	9,700	9,300
Manufacturing	24,800	24,900	25,700	26,600	25,200
Transportation, communications, utilities	9,000	9,300	9,900	10,000	9,800
Trade	30,300	32,600	34,700	36,000	37,500
Finance, insurance, real estate	4,600	5,100	5,600	6,100	6,500
Services	22,400	23,400	25,200	26,100	27,600
Government	31,300	32,300	33,000	34,000	38,900
Other	200	100	200	300	200
Total	132,400	137,000	144,400	148,800	155,000

Source: California Department of Employment Development.

City of Martinez business section.



Largest employers in Martinez are the Shell Oil Company, the County of Contra Costa, the U.S. Veterans Administration Hospital, and Martinez Unified School District.

Many of the nation's largest industrial concerns have manufacturing plants within convenient commuting distance of Martinez (see "Industry"). A

few miles east of Martinez is the U.S. Navy's Naval Weapons Station, which employs approximately 2,500. Residents of the city have freeway access to the highly developed industrial and commercial employment centers of Richmond and Oakland.

Following is a listing of the leading employers in Contra Costa County.

MAJOR EMPLOYERS IN CONTRA COSTA COUNTY

Name of Firm	Type of Business	Employees
Contra Costa County	Government	6,000
Longs Drug Stores, Inc.	Retailer	3,300
Richmond Unified School District	Education	3,100
U. S. Steel Corp.	Metals	3,000
Sun Valley Shopping Center	Retail sales	3,000
Standard Oil Co. of California	Petrochemicals	2,700
Naval Weapons Station	U.S. Navy	2,500
Systron-Donner Corp.	Electronic instruments	1,900
Gordon H. Ball, Inc. (Subsidiary of Dillingham Corp.)	Heavy construction	1,750
Fry's Food Stores	Food products distribution	1,700
Veterans Administration Hospital	Hospital	1,500
California & Hawaiian Sugar Co.	Sugar refining	1,500
Contra Costa Community College District	Education	1,300
United Grocers, Ltd.	Wholesale grocery co-op	1,300
Standard Oil Co. of California	Credit card center	1,300
Safeway Stores, Inc.	Food product distribution	1,250
Shell Oil Company	Petrochemicals	1,100
Chevron Research Co. (Subsidiary of Standard Oil Co.)	Research and development	1,070
City of Concord	Municipal government	1,000
Lion Oil Co.*	Petroleum products	900
Bethlehem Steel Corp.	Metals	800
Brookside Hospital	Medical services	775
Union Oil Co.	Petrochemicals	700
Dow Chemical Co.	Chemicals	660
City of Richmond	Municipal government	650
Pacific Gas & Electric Co.	Utility service	600
American Bridge (Division of U. S. Steel Corp.)	Structural steel	500
Chevron Chemical Co.	Chemicals	500
Willamette Iron & Steel	Ship repair and conversion	500
Beckman Instruments, Inc.	Electronic instruments	450
Stuffer Chemical Co.	Chemicals	430
Santa Fe Railway Co.	Transportation	430

*Formerly Phillips Petroleum Co. facility.

Sources: Contra Costa County Development Association, Bay Area Employer Directory, and original sources.

Commercial Activity

At the beginning of 1976 there were 314 establishments reporting taxable transactions in the City of Martinez. This was an increase of 72 over the 1971 level.

Presented below are annual summaries of taxable transactions in the city since 1971. Approximately 80 percent of total taxable transactions are reported by retail establishments.

CITY OF MARTINEZ

Taxable Transactions 1971-76

(\$000 omitted)

Year	Retail Outlets		All Outlets	
	Permits	Transactions	Permits	Transactions
1971	106	\$15,130	242	\$17,763
1972	112	19,416	260	23,799
1973	105	21,903	259	26,670
1974	111	32,258	272	38,787
1975	111	23,899 ^①	298	30,359 ^①
1976 (3 mos.)	112	5,975	314	7,388

① Taxable transactions of Shell Oil Co. are divided between the City of Martinez and Contra Costa County. The exact ratio to be used is still subject to negotiation.

Sources: State Board of Equalization and Finance Department, City of Martinez.

Taxable transactions in the city for 1975 by type of outlet are summarized in the following tabulation.

CITY OF MARTINEZ

Taxable Transactions by Type of Business 1975

Business	No. of Permits	Taxable Transactions
Apparel stores	7	\$ 623,000
Food stores	7	3,355,000
Packaged liquor stores	5	1,029,000
Eating and drinking places	31	3,227,000
Home furnishings, appliances ..	4	848,000
Buildings materials, farm imple- ments	4	363,000
Auto dealers, auto supplies	7	3,411,000
Services stations	22	8,244,000
Other retail	24	2,799,000
Total retail	111	\$23,899,000
All other outlets	187	6,460,000
Totals	298	\$30,359,000

Source: State Board of Equalization.

Industry

The northern shore line of Contra Costa County has become established as a center of heavy industry. Deepwater transportation, good main line rail faci-

ties, a plentiful supply of power, and the availability of desirable sites have brought about the location of plants of such nationally-known firms as Shell Oil Co., U.S. Steel, E. I. duPont de Nemours, Crown Zellerbach Corporation, Dow Chemical Company, Continental Can Company, and others.

Shell Oil Company, at its Martinez Manufacturing Complex, operates a large oil refinery and various chemical manufacturing facilities. More than 1,000 persons are employed producing gasoline, diesel fuels, fuel oils, and chemical derivatives of petroleum.

The California and Hawaiian Sugar Company employs approximately 1,500 at its sugar refinery in Crockett, located about five miles west of Martinez.

The Pittsburg Works of the United States Steel Corporation, located about 12 miles east of Martinez, is the area's largest industrial employer, with approximately 3,000 employees. Facilities of the plant include a pipemill, sheet finishing, tin finishing and cold reduction departments, rolling mills, nail mill, wire mill, wire rope mill, and a 1,000-foot-long deep-water dock. The plant is served by three railroads and contains 15 miles of track. Products are also shipped by ocean-going vessels and truck transportation is provided over State Highways 4 and 24.

Also in Pittsburg is the Dow Chemical Company's Western Division headquarters, employing approxi-

mately 800 persons in the manufacturing of agricultural, mining, and industrial chemical products.

Crown Zellerbach Corporation operates four manufacturing plants in the vicinity of Antioch, about three miles east of Pittsburg. These plants produce Kraft paper, multiwall paper bags, tissue paper products, and corrugated boxes, employing about 900 people. The company constructed and operates a deep-water ship-turning basin for its own use and for the use of other nearby industries. The deep-water dock facilities are utilized in the handling of the large quantities of wood pulp which is the principal raw material used in the manufacture of many of the company's products.

Fibreboard Corporation employs approximately 600 persons in its varied operations in the Antioch area, including a carton mill, a paper stock board mill, an ink plant, and a research and development facility.

E. I. duPont de Nemours and Company has Contra Costa County plants engaged in the production of "Freon" refrigerant and aerosol propellant, tetraethyl lead gasoline additive, and titanium dioxide. The company employs more than 400 people at local plants. Its buildings occupy 60 acres of a 540-acre site at Antioch.

Kaiser Gypsum Company operates a gypsum wall-board plant and plaster mill employing about 100 persons at a 38-acre site in Antioch. Raw gypsum is transported from Mexico to the plant by ship and is unloaded at dock facilities on the San Joaquin River. The plant has the capacity to produce 250 million square feet of gypsum board products and 20,000 tons of plaster annually for the building industry.

About two miles east of Martinez, at Avon, is the petroleum refinery formerly owned by Phillips Petroleum Company. In March 1976 the Phillips refinery, about 725 gasoline stations, and terminal and bulk plants were purchased by The Oil Shale Corp. (TOSCO) in a \$230 million transaction. The name of Lion Oil Co. is now used for the Avon operations.

UCO (formerly Urich Oil Co.) of Los Angeles presently owns an oil terminal in Martinez, and has filed an environmental impact report for construction of a new petroleum refinery, near the terminal, located between Martinez and Avon.

Other large oil refinery activities in the area include those of Union Oil Co. at Oleum, Standard

Oil Co. of California at Richmond, Pacific Refining Co. at Hercules (formerly the Gulf refinery), and Exxon Corp. at Benicia, in Solano County. All are within commuting distance of Martinez.

Transportation

In 1962 the Benicia-Martinez Bridge, which spans the Carquinez Strait north to Solano County, was opened for vehicular traffic. It now carries Interstate 680, a major north-south route through the central part of Contra Costa County, connecting Interstate 80 and San Jose through Concord and Walnut Creek.

I-680 intersects with State Highway 4 and State Highway 24, which provide east-west traffic movement to western Contra Costa County and the Oakland area.

In September 1974 the first passengers transited the underwater San Francisco-Oakland tube, inaugurating full-scale service on the billion-dollar Bay Area Rapid Transit System (BART).

One of the three East Bay branches of the BART system terminates in Concord, about six miles south of Martinez. The system reduces peak-hour travel times from Concord to Oakland and San Francisco to 29 and 40 minutes, respectively. During the week, AC Transit, a regional bus service, operates 24 round-trips daily between Martinez and the BART station at Concord. From Oakland, branch lines of the BART System lead to Richmond in western Contra Costa County, and to southern Alameda County.

Martinez is on the main line of the Southern Pacific railroad, and is served by a branch line of the Atchison, Topeka, and Santa Fe Railway. A railroad bridge of Southern Pacific parallels the Benicia-Martinez Bridge to Solano County.

National and international air carriers schedule service from both San Francisco and Oakland International Airports. Business and private flying services are available at Buchanan Field in Concord. This airport is one of the few all-weather, all-year airports in the Bay Area. The field has an FAA control tower, accommodations for 350 aircraft, and all related aircraft maintenance services. Buchanan Field ranks among the most active general aviation airports in the United States.

Deepwater general cargo shipping services to all world and coastal ports are available at Port of Oakland, accessible within one hour's driving time via freeway from the city.

Building Activity

The valuation of building permits issued by the city in the January-July 1976 period was very strong, exceeding the annual total for any year since 1972. Total permit valuation of \$9,289,000 for the seven

months exceeded the average annual total for the past three years by nearly 43 percent.

Building permit valuation by individual years and by type of construction since 1972 is summarized in the tabulation below.

CITY OF MARTINEZ

Building Permit Valuation

(\$000 omitted)

	1972	1973	1974	1975	1976 (7 Mos.)
Residential	\$10,664	\$3,209	\$2,809	\$7,238	\$8,701
Nonresidential	3,102	2,310	2,575	1,364	588
Total	\$13,766	\$5,519	\$5,384	\$8,602	\$9,289
Number of New Housing Units:					
Single	575	127	101	227	210
Multiple	76	66	—	95	—
Total	651	193	101	322	210

Source: "California Construction Trends", Security Pacific Bank.

A portion of the Contra Costa County facilities located in downtown Martinez.



Utilities

Natural gas, electric power, and telephone service are provided by Pacific Gas and Electric Company and Pacific Telephone Company.

The City of Martinez operates a municipal water system. Large industries in the area are served directly by the Contra Costa County Water District.

The Central Contra Costa Sanitary District provides sewer and sanitary services.

One of the nation's largest steam-electric generating plants is located near Pittsburg. This 1,270,000 kilowatt capacity plant is owned and operated by the Pacific Gas and Electric Company and is a major source of electric power in the company's northern California operation. The plant employs approximately 100 persons on a three-shift basis.

Education

The Martinez Unified School District, which serves virtually all of the city, enrolled over 5,400 students and adults in seven elementary schools, a junior high school, a senior high school, and a continuation high school in the fall of 1975. As with many other California school districts, enrollment in the elementary grades has declined in recent years. The number of students in the K-6 grades dropped from 2,589 in 1970 to 2,103 in 1975. Enrollment in junior high school and high school has also declined moderately.

The Contra Costa Community College District, with administrative offices in Martinez, operates three campuses—Contra Costa College (enrollment 9,718) at San Pablo, in the western part of the county, the new Medanos College (5,323) at Pittsburg, and Diablo Valley College (18,738) in Pleasant Hill, serving the eastern portion of Contra Costa County. All three are tax-supported institutions awarding the two-year certificate in various vocational and academic fields.

The University of California at Berkeley is one of the landmarks of the East Bay owing to the impressiveness of its 1,200-acre campus and its reputation as an education and research center. Enrollment (27,204) in the fall of 1975) normally represents every state in the nation and over one hundred countries. Other degree institutions of the East Bay Area include California State University, Hayward, with an enrollment of 11,771; Mills College, located in Oakland, a private college with an enrollment of 1,018; St. Mary's at Moraga, a Christian Brothers' school with an enrollment of 1,175;

and Holy Names College in Oakland with 698 enrolled. A state college has been authorized for the Concord area, a few miles south of Martinez, but the Legislature has not yet appropriated the necessary funds for construction.

Community Facilities

Martinez has a private general hospital (now the Kaiser Hospital), the Contra Costa County Hospital, and a Veterans Administration Hospital, with combined capacity of more than 1,000 beds. Three convalescent hospitals provide additional bed capacity. Medical services in the community are provided by 15 physicians/surgeons, 10 dentists, and six other medical specialists.

Financial services in the city are available at branch offices of Bank of America N.T. & S.A., Bank of California, Wells Fargo Bank, Home Savings and Loan Association, and Security Savings and Loan Association.

The Morning News Gazette is published five days a week in Martinez. The city is within convenient broadcast and distribution coverage of San Francisco-Oakland newspapers, radio stations, and television media. A branch of the county library system is located in Martinez.

The city maintains six parks and ten playgrounds. Nearby are the extensive recreational facilities of the East Bay Regional Park District, a public agency created in 1934 to serve Alameda and Contra Costa Counties. The 3,952-acre Briones Regional Park, administered by EBRPD, adjoins the City of Martinez to the south.

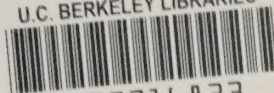
The Martinez Waterfront Regional Shoreline, a 308-acre park, will be jointly developed by the East Bay Regional Park District and the City of Martinez, following clearance of land title difficulties. EBRPD's sector will largely be devoted to nature oriented activities, while the city will develop more concentrated recreational facilities.

The Martinez Marina, located on City-owned property, is enclosed by a breakwater and has 362 berths, accommodating small boats as well as large yachts.

Mt. Diablo State Park, a few miles east of Walnut Creek in central Contra Costa County, is a popular camping and hiking preserve. Boating in the many waterways of the Delta is enjoyed by thousands.

Martinez residents have convenient freeway access to the varied cultural, social, and recreational attractions of the San Francisco-Oakland metropolitan area.

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